



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 20, 2008

Maria Moran
Director of Employee Relations
Designed Metal Connections
14800 South Figueroa Street
Los Angeles, CA 90248

Dear Ms. Moran:

RE: FINAL MONITORING VISIT REPORT for Designed Metal Connections (DMC) – ET06-0236

| | |
|------------------------|---|
| Date of the Visit: | 05/13/08 |
| Beginning/Ending Time: | 1:30 p.m. – 4:30 p.m. |
| Date of Last Visit: | 10/18/07 |
| Visit Location: | Los Angeles |
| Persons in attendance: | Trinidad Winters, DMC Mark Reeves, ETP Analyst |
| Action Required: | No |

CONTRACT INFORMATION:

| | | | |
|----------------------------------|---------------------|----------------------|-----------|
| Term of Agreement: | 02/06/06 – 02/05/08 | Agreement Amount: | \$166,465 |
| Training Start Date: | 02/07/06 | No. to Retain: | 197 |
| Date Training must be Completed: | 11/05/07 | Range of Hours: | 24 - 200 |
| Type of Trainee: | Retrainee | Weighted Ave. Hours: | 65 |

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ETP (04/15/05)

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

Training began on February 7, 2006 and Mr. Winters confirmed that all training was completed by November 1, 2007 which allows for the 90-day retention period to be completed within the term ending date of February 5, 2008.

ETP approved the following revision to your Agreement:

Amendment Revision Number 1 was approved on June 29, 2007 to add Manufacturing Skills, Continuous Improvement, and Literacy Skills training modules to your Menu Curriculum. This Amendment did not affect the originally approved funding amount.

• INTERVIEW WITH THE CONTRACTOR'S REPRESENTATIVE

Based on your company's lower than expected completion rate, Mr. Reeves inquired regarding the barriers that precluded DMC from performing better on this Agreement. Mr. Winters reported that your company's training plans were severely hampered because your primary Computer Skills training vendor went out of business during the contract term and DMC was unable to secure a comparable replacement vendor.

Despite the lower than expected completion rate, Mr. Winters stated that DMC did benefit from the Computer Skills training delivered during the early stages of the Agreement. The company was able to implement its new enterprise software system, as planned. In addition, Mr. Winters stated that ETP's approval of DMC's Agreement revision request allowed the company to expand its training initiatives in the vital areas of manufacturing and continuous improvement.

Mr. Winters reported that DMC did not experience any notable record keeping problems during the administration of this Agreement and no specific changes were suggested to improve the process.

Mr. Winters indicated that DMC is considering seeking additional ETP funding to help further the company's training goals and improve its competitiveness in the industry. Mr. Winters stated that he is in the process of reassessing DMC's training needs to ensure that the company's next training project is more successful in achieving its objectives. He indicated that lessons learned from this Agreement will help the company be more accurate in plotting a realistic training plan for the future.

Breakdown and discussion of expected earnings:

Mr. Winters provided Mr. Reeves with projected statistics for the closeout of this Agreement. According to your records at the time of this final meeting, you expected to retain a total of 53 trainees. The ETP Class/Lab Tracking system shows that 53 trainees completed the minimum required 24 hours of training, for a cumulative total of 2,241 hours. At \$13 per hour, total reimbursement would be \$29,133 or approximately 18% of the encumbered total. However, Mr. Winters reported that \$6,126 is yet to be deducted from DMC's earnings to account for unearned progress payments for trainees that were subsequently dropped. Mr. Winters indicated that he plans to submit the final closeout invoice within the next week.

Current ETP records show that DMC has received \$16,350 in unearned progress payments. Project staff expects final earnings to be approximately \$23,007, pending approval of the final closeout invoice.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

| | | | |
|--|-----|----------------------|----|
| Trainees Started Training: | 169 | Completed Training: | 53 |
| Dropped Following Enrollment: | 115 | Completed Retention: | 53 |
| Completed Minimum Hours for reimbursement: | 53 | In Retention Period: | 0 |

ATTENDANCE ROSTERS:

Mr. Reeves reviewed 21 daily attendance and multiple-date attendance rosters for the period covering July 17, 2007 through November 1, 2007. The training documented during this period included Manufacturing Skills topics that were amended into the approved curriculum. Mr. Reeves found that ETP requirements were met and properly documented. The review confirmed that the 1:20 trainer to trainee ratio was maintained.

These findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. It is your responsibility to ensure that 100 percent of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22, California Code of Regulations, Section 4442).

AUDIT:

DMC will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at sreeves@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

S. Mark Reeves, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, Program Operations Division (via e-mail)
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)
Master File
Project File

Date report mailed to Contractor _____